

# DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

## Disability Services Division

### DISABILITY SERVICES DIVISION CONTACTS

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### WHAT THE DISABILITY SERVICES DIVISION DOES

The Disability Services Division assists Montanans with disabilities in living, working, and participating in their communities. The division provides or contracts for institutional care, residential services, home-based services to families, case management, telecommunications services, and a variety of employment outcome-related services. This division is responsible for medical adjudication of all claims for Social Security Disability Insurance and Supplemental Security Income. The division is also responsible for the state institution at the Montana Developmental Center in Boulder.

### Statutory Authority for the Disability Services Division

Statutory authority for the division comes from: Title 53, MCA; Title 19, Social Security Act; 29 U.S.C. 721 et. seq.; 29 U.S.C. 796 et. seq.; 29 U.S.C. 774; 29 U.S.C. 777b; 29 U.S.C. 2201 et. seq.; 42 U.S.C. 75, 6602; 72 U.S.C. 1300; 42 CFR 441.302(b); 42 CFR 441.302(g); 45 CFR 74.62; and 34 CFR Part 303.

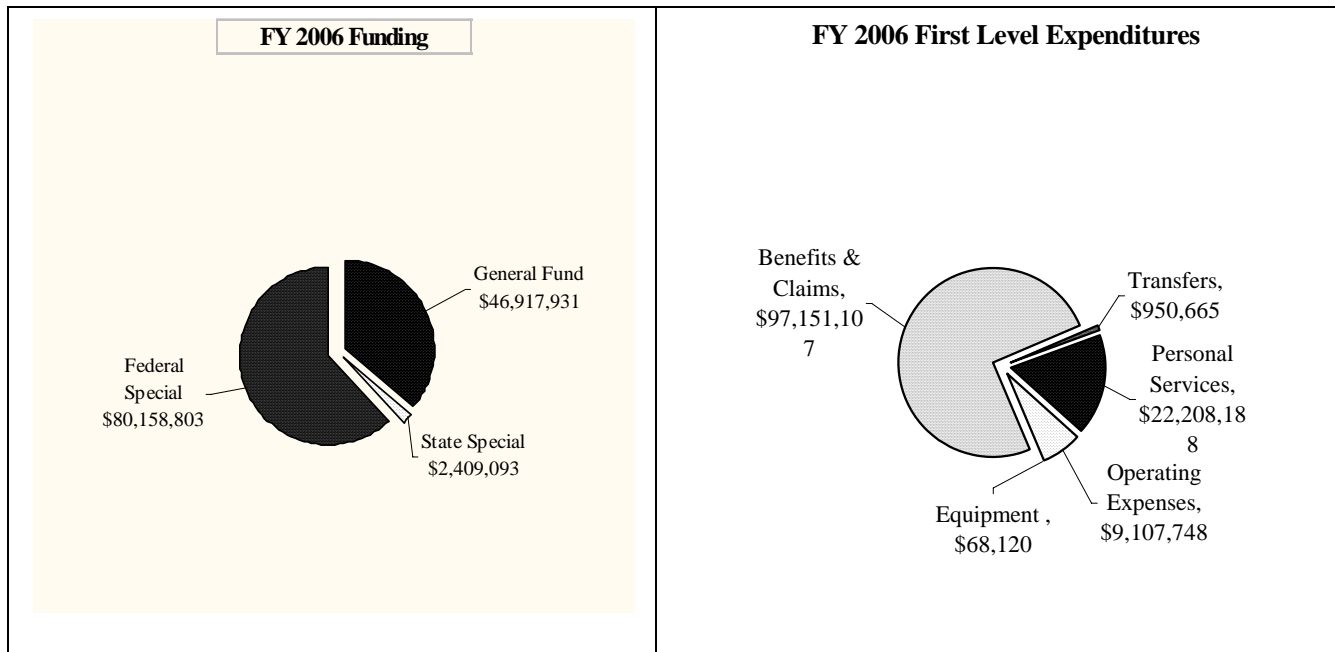
### HOW SERVICES ARE PROVIDED

The Disability Services Division is organized into five programs with the following functions:

1. Developmental Disabilities Program (DDP) – DDP serves individuals with mental retardation, epilepsy, autism, or other neurological conditions that require treatments similar to those required by someone with mental retardation. Services include community homes, supported living arrangements, respite, day programs, supported employment, transportation, adaptive equipment, and nursing services. DDP also contracts for a variety of children's services.
2. Montana Developmental Center (MDC) – Located in Boulder, MT, MDC provides for a healthy, safe, therapeutic environment to assist individuals with developmental disabilities prepare for community living. MDC also provides a safety net for those individuals who pose a danger to themselves or others.
3. Vocational Rehabilitation Program (VR) – VR serves individuals with orthopedic, mental, visual, hearing, brain injury, and other disabilities by providing a variety of employment outcome-related services, including counseling and guidance, career training, transportation, adaptive equipment, orientation and mobility services to the blind, independent living services, medical services, job placement, and supported employment.
4. Montana Telecommunications Access Program (MTAP) – Administratively located within the VR program, MTAP provides for the telecommunication needs of Montanans who are deaf, hard of hearing, speech disabled, or mobility disabled.
5. Disability Determination Services (DDS) – Administratively located within the VR program, DDS is responsible for medical adjudication of all claims for Social Security Disability Insurance and Supplemental Security Income.

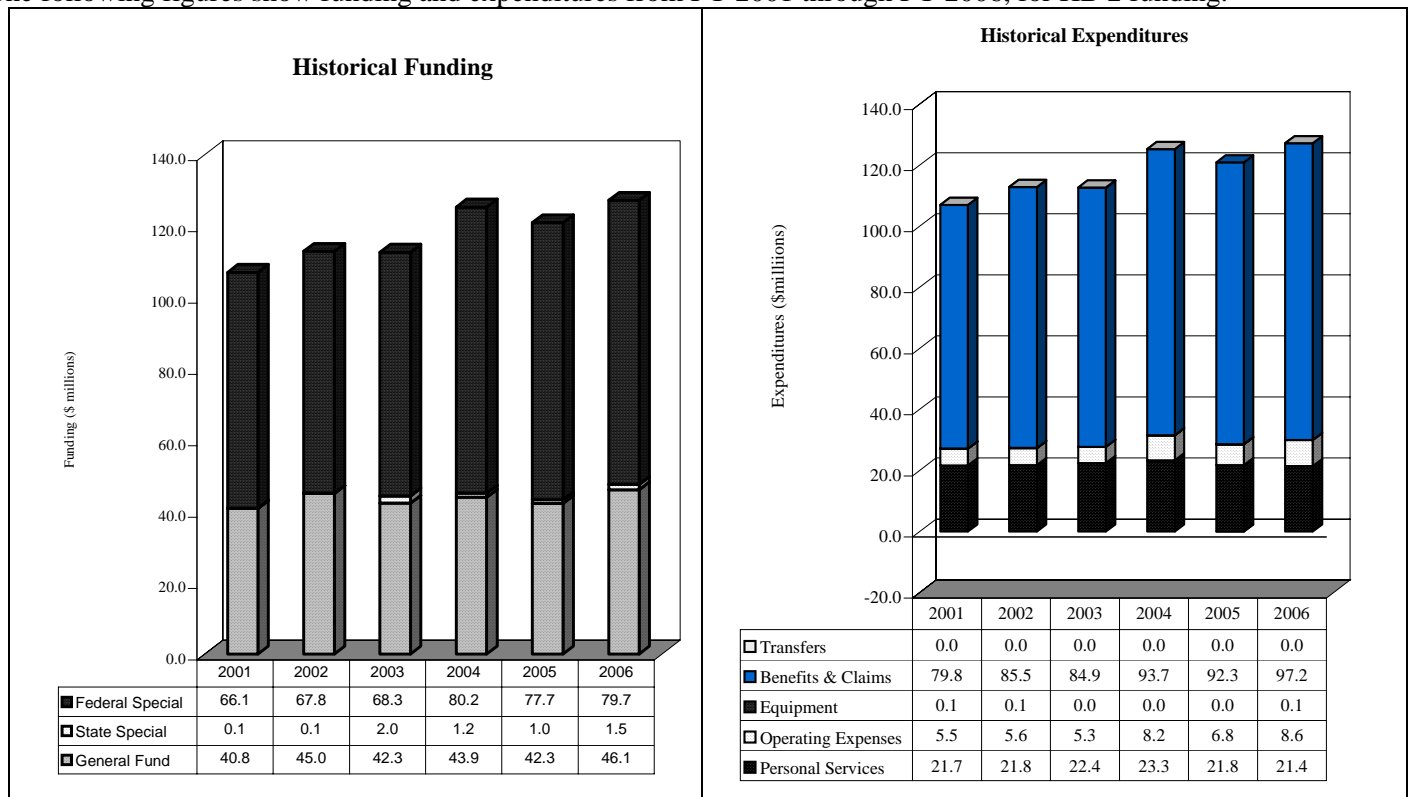
## Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Disability Services Division. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium.



The above information does not include administrative appropriations. Departmental indirect charges are not included as expenditures or revenues in the above tables.

The following figures show funding and expenditures from FY 2001 through FY 2006, for HB 2 funding.



The general increase in expenditures from FY 2001 through FY 2006 resulted from:

- largely from Legislative client benefit appropriations for provider rates and expansion of services;
- largely from finishing refinancing groups of clients from general fund to Medicaid in the developmental disabilities program;
- the division taking on the Montana Telecommunications Access Program (formerly associated with the Director's Office) in FY 2004;
- a minor amount from operational increases (such as rent, utilities, and fixed costs); and
- a minor amount from pay plan increases.

The large spike of increased expenditures in FY 2004 resulted from:

- increased personal services and operating expenditures at the Montana Developmental Center (MDC) from the closure of Eastmont Human Services Center (the reduction at Eastmont was not equal and offsetting to the increase at MDC since more resources were required at MDC to accommodate the transition);
- increased personal services and operating expenditures at the Montana Developmental Center (MDC) from the creation of the Intermediate Care Facility for the Developmentally Disabled (ICF-DD), secure-care unit 104;

## **2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION**

### **Program Expansion**

The Disability Services Division implemented and expanded several programs with general fund, state special revenue, and federal funding in the 2007 biennium.

1. At the beginning of FY 2006, the developmental disabilities program used legislatively appropriated general fund, state special revenue tobacco tax funds (I-149), and federal Medicaid funds to successfully implement a provider rate increase directed towards raising direct care salaries and benefits to the 35<sup>th</sup> percentile (a standardized rate benchmark that is 15% less than the average, as compared to the same labor market in Montana and other similar states).
2. The 2005 Legislature appropriated general fund and federal Medicaid funding to reduce the developmental disabilities community services waiting list by fifteen individuals. The request was funded at the average cost plan amount for intensive individuals (intensive individuals not receiving services are usually the most in need and are usually the first selected through the screening process). As of December 2006, forty individuals have been moved off of the waiting list and screened into community services. More individuals were screened into services as compared to the original funding request since the actual average cost per individual was less than the projected average. The division prioritized this expansion state-wide and determined that some of the individuals most in need were able to receive services in less-costly settings. Even though funding was appropriated for both years of the biennium, the division purposefully waited until mid-FY2007 to implement this expansion. This was done to facilitate the movement of individuals from the Montana Developmental Center to community services and allow the closure of the total care unit ahead of the schedule agreed upon in the Travis D. lawsuit settlement. The timeline of this closure was moved up to relieve some of the budget pressures on the Montana Developmental Center.
3. The vocational rehabilitation (VR) program successfully implemented general fund authority from the 2005 Legislature to expand services in the VR extended employment (EE) program. At the time of the 2005 Session, this additional funding was projected to be sufficient to place all individuals on the EE waiting list into services. The EE waiting list has grown considerably over the course of the 2007 biennium.
4. The 2005 Legislature appropriated general fund for a blind and low vision technology specialist, located within the VR program. The division filled this position in January of 2006, after waiting for the position to be classified

and going through two advertising processes. This person has provided training to consumers, consulted with employers, and helped design low-vision work stations.

5. The 2005 Legislature appropriated \$180,000 general fund over the 2007 biennium for expansion of the early intervention (Part C) program within the Developmental Disabilities Program. Part C is an entitlement service, where the state receives a capped federal grant requiring the state to serve all eligible individuals and support the program with maintenance of effort. The division implemented this increase into provider contracts at the beginning of FY 2006 in a manner that provided a greater portion of the increased funding to regions that have experienced higher caseloads, allowing the providers to receive revenue for some of the costs absorbed by the caseload increases.

## FTE

The legislature approved a general fund appropriation for an additional 1.00 FTE in the 2007 Biennium for a blind and low vision technology specialist. The following figure shows the position and hire date for the new FTE.

2007 Biennium FTE Hire Dates	FTE	Date
Assistive Technology Specialist	1.00	01/19/2006

## CORRECTIVE ACTION PLANS

The Disability Services Division had three legislative audit recommendations, no federal audit recommendations, and no associated corrective action plans in place during the 2007 biennium. Auditors recommended that the department:

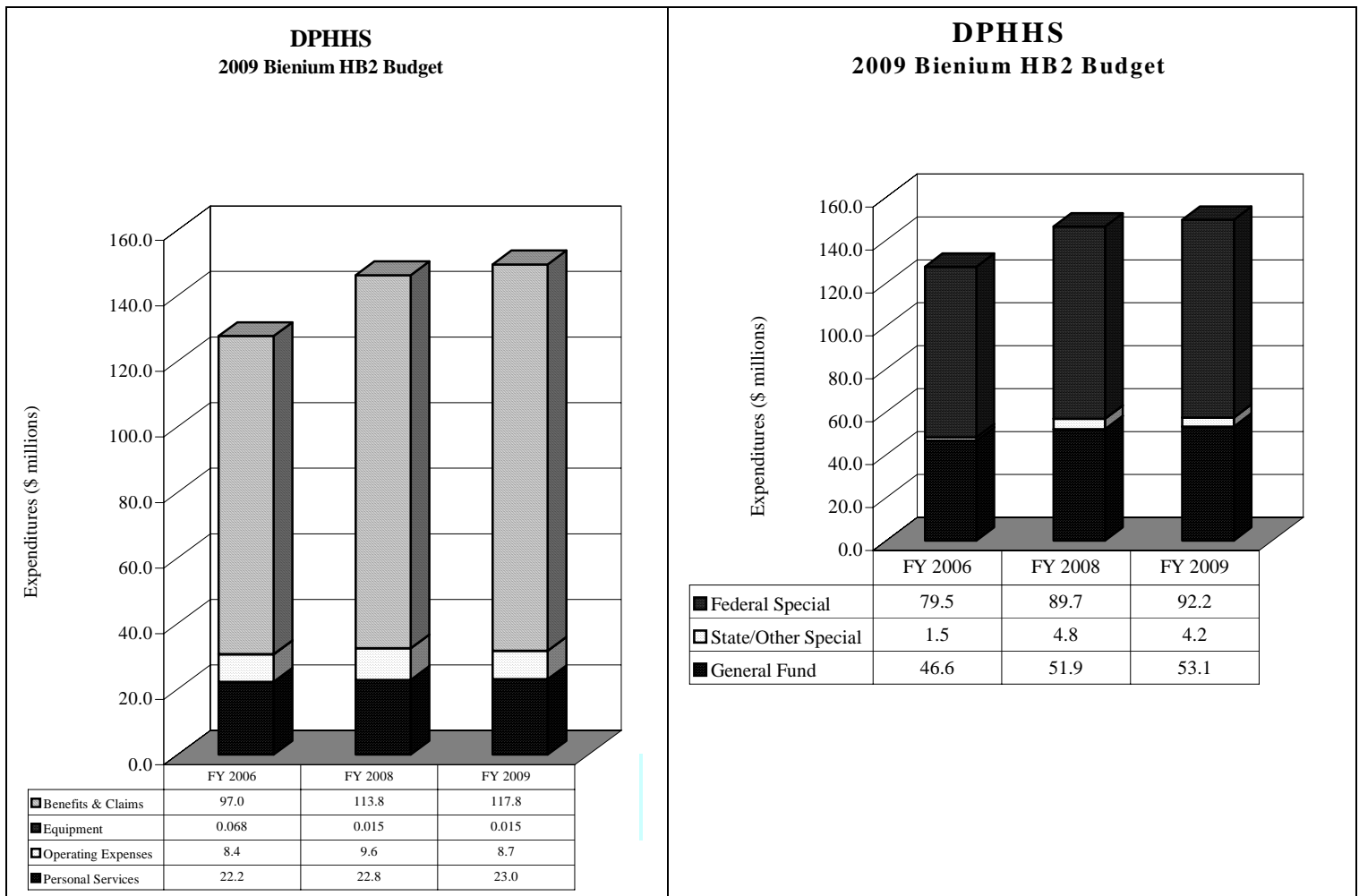
1. charge payroll costs to the proper federal grant year;
2. implement a procedure to review the Vocational Rehabilitation federal grant expenditures (RSA-2) report to ensure the correct expenditures are reported; and
3. communicate management's expectations regarding disability services provider invoice reviews to regional administrative assistants and quality improvement specialists.

The Disability Services Division has implemented the following components in response to the recommendations:

1. The department has strengthened the prevention and detection procedures to ensure all payroll costs are charged to the correct federal year.
2. The division has established a written procedure detailing the preparation and review of the RSA-2 report. Future reports will be prepared and reviewed by two separate employees prior to submission.
3. Division management has clarified its requirements for provider invoice reviews and communicated their expectations to regional staff in writing.

## 2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.



## Goals and Measurable Objectives

The following figure shows the Disability Services Division base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Department of Public Health and Human Services Disability Services Division		
Measurable Objectives for the 2009 Biennium		
Goal	Measurable Objectives	Current status of Measures
Developmental Disabilities Program (DDP)- Implement a rational methodology (transparent rate system) for reimbursement of Medicaid services.	By the end of the 2009 biennium, implement all five DDP regions in the rate system. Implement a minimum wage for DDP direct care employees of at least \$8.00 per hour. Reduce DDP case management caseloads to an average of 35. Allow for funding in the rates to allow for standardized training for DDP direct care employees.	In fiscal year 2007, three of the five DDP regions are in the rate system (approx half of the adult clients). Fiscal year 2006 data shows that: <ul style="list-style-type: none"> <li>There is currently no minimum wage required through provider contracts.</li> </ul>

		<ul style="list-style-type: none"> <li>• Case management caseloads are at an average of 44.</li> <li>• The standardized rate compensates for 2 days of training per direct care employee.</li> </ul>
Developmental Disabilities Program (DDP)- Provide quality services to Montanans with developmental disabilities in the most integrated setting as possible.	By the end of the 2009 biennium, serve at least 4169 Montanans with developmental disabilities in DDP community-based services. Expand DDP community-based services by at least 50 individuals in the 2009 biennium.	At the beginning of state fiscal year 2007: 4119 Montanans with developmental disabilities were in DDP community-based services. 474 individuals were on the DDP community-based services waiting list.
Developmental Disabilities Program (DDP)- Allow individuals with developmental disabilities to be full participants in the planning of their services.	By the end of the 2009 biennium, implement Personal Supports Planning (PSP) statewide.	As of December 2006, one out of the five DDP regions is trained in and starting to implement PSP.
Developmental Disabilities Program (DDP)- Have a streamlined information system to track clients, accurately and quickly make payments, and provide organized data that facilitates management of the program.	By the end of the 2009 biennium, rewrite the division's contracting, provider payment, and client tracking system to accommodate new business practices.	As of December 2006, the project team to rewrite the IT system has identified the requirements and the detailed design of the new system.
Vocational Rehabilitation Program- To meet or exceed all standards and indicators as evaluated by the federal government.	Successfully rehabilitate at least 900 individuals; At least 80% of the individuals at closure are significantly disabled.	In federal fiscal year 2006: 909 individuals were rehabilitated; 82% of individuals at closure were significantly disabled.
Montana Developmental Center (MDC)- Continue to move individuals from MDC to community-based services.	Move all individuals from the total care unit (unit 16AB) to community-based services and close the unit before December 2007.	As of December 2006, five of the original 18 individuals remain on unit 16AB.
Montana Developmental Center (MDC)- Maintain Medicaid and ICFDD (Intermediate Care Facility for the Developmentally Disabled) certification.	Successfully complete annual reviews from state licensing and the federal government (i.e. review of all policies, health and safety, behavioral treatment, staff qualifications, etc.)	Both units are currently licensed with no outstanding deficiencies.
Montana Telecommunications Access Program (MTAP)- Provide for the telecommunication needs of Montanans who are deaf, hard of hearing, speech disabled, or mobility disabled.	Provide 281,983 relay minutes in fiscal year 2008 and 456,949 relay minutes in fiscal year 2009.	In SFY 2006, provided 341,782 relay minutes.
Disability Determination Services (DDS)- Meet the national standards for accuracy, quality, processing time, production per work year and pending caseloads.	<ul style="list-style-type: none"> <li>• Adjudicate 7,000 initial claims for disability benefits in federal fiscal year 2008 and 8,000 initial claims in federal fiscal year 2009.</li> <li>• Ending year goal of 1440 initial claims pending.</li> <li>• 93 days processing time</li> <li>• Implement the new SSA regulations, including developing a new Quick Decision process, elimination of the reconsideration level of appeal and prepare legal briefs for each decision.</li> </ul>	In federal fiscal year 2006: <ul style="list-style-type: none"> <li>• Adjudicated 6,800 initial claims</li> <li>• 1647 initial claims pending at the</li> <li>• 93 days processing time</li> <li>• Completed the transition to the electronic process</li> </ul>

## BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the FY 2008 – 2009 Disability Services Division budget submission to the Governor's Office.

- ❑ NP 10011 - DD Rate Rebased. Rebase standardized rates for Developmental Disabilities Program community-based services.
- ❑ NP 10010 - DD Wait List Reduction. Expand Developmental Disabilities Program community-based services by at least 50 individuals in FY 2008 and an additional 25 in FY 2009.

- ❑ PL 10003 - Annualization of Community Services Cost Plans. Reduce the population at the Montana Developmental Center and close the total-care unit. Support cost plans for these individuals in community-based services.
- ❑ NP 10018 - MTAP new technologies. Continue to provide access to telecommunications for individuals that are deaf or hard of hearing, for services such as video relay and internet protocol.

## **SIGNIFICANT ISSUES EXPANDED**

### **NP 10011 - DD Rate Rebasing.**

This request is for \$18 million total funds, \$3.4 million general fund and \$3.9 million in state special revenue funds over the biennium to support the rebasing of the developmental disability program provider rates.

- During SFY 2006 and SFY 2007 the DD Program implemented the new standardized rate system in regions 1, 2, & 3 (Eastern Montana). That experience, and a comprehensive influx of provider cost information, leads DDP to request additional funding for SFY 2008 and 2009 to further increase the base wage rate portion of the standardized rate.
- Contractors who provide Day, Group Home, and Supported Living services to adults will see the standardized base wage rate increase from \$8.56 per hour to \$9.07 per hour. This represents an increase of \$5,965,780 in SFY 2008 and an increase of \$5,965,780 in SFY 2009. (Increases are not compounded on top of each other.) With this funding, DDP will implement a minimum wage of at least \$8.00 per hour for DDP direct care staff.
- The DDP contractors who provide early intervention (Part C) and general fund Family Education and Support Services (FESS) will see an increase of \$253,705 in SFY 2008 and \$320,542 in SFY 2009. Part C is an entitled program. DDP is requesting adequate funding to maintain growth of the program.
- The DDP contractors who provide Targeted Case Management (TCM) services to adults will see an increase of \$1,966,349 in SFY 2008 and \$1,966,349 in SFY 2009. The base rate per hour was increased from \$12.75 per hour to \$15.096 per hour based on actual wage data provided by the TCM contractors. The Employee Related Expenses (ERE) were increased to the standard percent in the adult services rate system. The major factor increasing this cost was a reduction in the TCM average caseload from about 45 cases per case manager to an average of 35 cases per case manager. The monthly unit rate increases from \$111.26 to \$167.72. The increased rate will fund 12 additional contracted case managers. The increased responsibilities of case managers, with the development of individual cost plans and personal support plans (both directed by CMS and the Travis D lawsuit settlement), has resulted in an overload of case management duties. Case managers perform a critical role in the delivery of DD community services. This funding helps DDP to realize the goal of community integration for individuals with DD.
- This rebasing package funds the cost of the College of Direct Supports tuition and paid time for direct care employees' on-line certification for a total cost of \$351,129 each year. It is DDP's goal to provide quality services and have better retention of direct care workers. The possibility of reaching these goals is enhanced by the standardized training enabled by this funding.

### **NP 10010 - DD Wait List Reduction.**

This request is for \$11.4 million total funds, \$4 million general fund over the biennium to support community services for individuals currently on the developmental disability community services waiting list and for other individuals expected to need services in the next biennium.

- There are approximately 500 individuals on the waiting list for DD community services that are currently receiving no services. The DSD requests \$4.4 million (\$1.4 million general fund) over the biennium to move approximately 25 individuals with no services off the waiting list and into community services in the next biennium.
- There are other individuals that are on a waiting list for more services, as they will be transitioning out of their current services (i.e. children aging out of intensive Medicaid waiver services and kids with developmental disabilities aging out of foster care services, such as from Brownschool Texas Neuro or Intermountain Children's Home). The program requests funding of \$6.2 million (\$2.0 million general fund) over the biennium to support adult cost plans for approximately an additional 25 individuals who will transition to DDP services each year in the next biennium.

- More individuals in services would also require resources to accommodate the growth. DSD requests funding for additional contracted case managers each year; \$0.25 million (\$81,000 general fund) over the biennium. DSD also requests \$0.2 million general fund for the biennium for grants to providers, either existing or new providers, for start up costs associated with either system expansion or with transitions from institutional to community services. Additionally, DSD requests \$392,800 in general funds to provide opportunities to pilot projects identified by the transition task force team and Transition Solutions, which will enable state agencies and other groups to work together improving outcomes for youth transitioning from school to young adulthood.

### **PL 10003 - Annualization of Community Services Cost Plans.**

This request is for \$4.7 million total funds, \$1.4 million general fund over the biennium to support annualized cost plans for individuals already in developmental disability community services.

- The Developmental Disabilities Program (DDP) has moved 13 individuals from the Montana Developmental Center (MDC) unit 16AB into community services by December 2006, and expects to remove all remaining individuals by March of 2007. MDC will then close the unit. There are no expenditures in the base year FY 2006 in the DDP budget to support these ongoing community-based cost plans. Also, unit 16AB HB2 positions were transferred to modified positions before the snapshot, so the personal services funding doesn't appear in MDC in FY 2008 and FY 2009 to be able to transfer to community services. This request funds the annualized community service cost plans for these unit 16AB individuals. Including the reduction already present in the adjusted base for MDC, this portion of the decision package has a positive impact to the general fund balance of almost \$550,000 over the biennium.
- Wait-list funds from the 2005 Session are being used to take individuals off the waiting list and place them into community service settings in FY 2006 and FY 2007. DDP did not spend all of the FY 2006 funds in the base year, due to the inability to sustain both wait-list and 16AB individuals' community service cost plans through FY 2007. This request is for \$1.1 million in all funds, \$270,000 general fund over the biennium to support the remainder of the wait-list individuals' annualized cost plans.

### **NP 10018 - MTAP new technologies.**

DSD requests \$1,065,000 state special revenue authority for the Montana Telecommunications Access Program (MTAP), in the event that the federal government mandates that the states pay for new technologies. DSD predicts that the federal mandate will come with advance notice of at least 18 months.

- At this time, the known new technologies are Video Relay Service (VRS) and Internet Protocol Relay (IP Relay). VRS facilitates phone calls between an individual who uses sign language and a hearing individual that knows no sign language at all. Using the Internet, video of the sign language user is transmitted to a sign interpreter, who then voices the call aloud for the hearing party. Internet Protocol Relay (IP Relay) also uses the internet, but in this case text is transmitted rather than video. Individuals who are Deaf use a computer connected to the internet to send text to an operator who will then speak that message aloud for the hearing party to the call.
- These new technologies are the latest developments in telecommunications for individuals who are Deaf. The federal government currently funds them, but the states will be required to assume this service at some point in the future.
- These services come closer than anything before to providing functional equivalence between telecommunications for individuals who are Deaf and telecommunications for those who hear. Providing such functional equivalence is a fundamental goal of the Americans with Disabilities Act, and one of the fundamental purposes of MTAP.
- This EPP proposal requests a restricted appropriation using MTAP's state special revenue account fund balance. This appropriation would be a contingency, accessed only if the FCC ruled that the states would now be required to pay for VRS and IP Relay. The requested amount for this appropriation, if accessed, would leave a projected fund balance at the end of SFY 2009 of approximately \$200,000.